

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Own Motion into Competition for
Local Exchange Service.

Rulemaking 95-04-043
(Filed April 26, 1995)

Order Instituting Investigation on the
Commission's Own Motion into Competition for
Local Exchange Service.

Investigation 95-04-044
(Filed April 26, 1995)

**ADMINISTRATIVE LAW JUDGE'S RULING
SOLICITING INFORMATION FROM
ROSEVILLE TELEPHONE COMPANY**

On May 1, 2001, Roseville Telephone Company (Roseville) filed a motion for an order requiring all competitive local exchange carriers (CLECs) to provide security for the difference between the unbundled network element (UNE) rates adopted by the Commission in Decision (D.) 00-06-080 and the interim UNE prices allegedly based on a proxy and subject to true up in D.01-02-042. Roseville claims that such security is needed to protect itself and its customers from the risk that a CLEC may not be financially able to pay the final UNE prices once the true up occurs.

Additional information is solicited from Roseville in order to provide a basis to issue a ruling on its motion. Specifically, information is solicited concerning the extent of financial exposure that Roseville is facing in reference to the potential for true up of UNE charges due from CLECs.

The following information should be provided by Roseville:

1. Listing of CLECs with which Roseville has an interconnection agreement that include interim UNE rates that are subject to true up based on the outcome of the rehearing ordered in D.01-02-042.
2. For each identified interconnection agreement, provide the date when each CLEC opted in to the provisions of the lower interim UNE rates available under D.01-02-042.
3. The amount of the security deposit that would be required for each CLEC listed in Item 1 above, based upon the difference between the UNE rates in D.00-06-080 and D.01-02-042 under the methodology as proposed in Roseville's motion. Provide the amount of the security deposit that would be due separately for each month since the CLEC opted into the interim UNE rates ordered in D.01-02-042 through to the present.
4. For each CLEC, indicate whether Roseville is continuing to bill for UNE charges, or whether the CLEC is continuing to operate as a going concern within the Roseville territory, as far as Roseville is aware.
5. Indicate what the potential financial exposure to Roseville would be resulting from underpayment of UNE charges in terms of a percentage of its return on common equity for the recently available 12-month period. Based upon the total of security deposits that would be computed to date under Roseville's proposal, what would be the bottom-line impact on Roseville's after-tax return on equity, assuming write-off of those amounts?

IT IS RULED that:

1. The information items identified above are hereby solicited from Roseville Telephone Company in order to provide a basis for a ruling on its motion.

2. The information should be provided within 20 days from the date of this ruling. Roseville may attach a motion to file any confidential data under seal to the extent it deems appropriate.

Dated November 2, 2001, at San Francisco, California.

/s/ THOMAS R. PULSIFER

Thomas R. Pulsifer
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Soliciting Information From Roseville Telephone Company on all parties of record in this proceeding or their attorneys of record.

Dated November 2, 2001, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.